

Wall Street interests put up 6 percent of the money, maybe less, and they get 50 percent of the profits. What this will mean is that this new entity that's created, the public-private partnership, will go out and buy these extremely difficult-to-value assets. They're going to overpay for some. They're going to underpay for others. They're going to make money on some. They're going to lose money on others. When they make money, half the profit goes to Wall Street. When they lose money, 94 percent of the loss goes to the taxpayer.

These entities are going to be 94 percent government-owned and financed. At least we're putting up 94 percent of the money. AIG was 80 percent government-owned and when they paid a million-dollar bonus, the country was angry. Well, what about an entity that's 94 percent government-owned? You can be sure this entity will be paying out million-dollar salaries, million-dollar bonuses. I wonder whether the American people will focus on it.

What we have had is a circumstance where so far this government has transferred hundreds of billions of dollars of wealth to Wall Street. But all that money has gone to the big, well-known, publicly traded companies on Wall Street. Well, there is another important tribe on Wall Street, and that is the hedge funds. Now with this new program, we can transfer hundreds of billions of dollars to the right side of Wall Street and hundreds of billions of dollars of taxpayer equity, taking hundreds of billions of dollars of taxpayer risk, for the benefit of the left side of Wall Street. Apparently some people think that's what fairness is—massive wealth transfer to both sides of Wall Street.

Now last week we passed a tax bill. That bill has been criticized by Wall Street and the administration. But they've ignored the statements of Lawrence Tribe, the foremost expert on constitutional law, the professor at Harvard Law School, who outlines step by step why that law was constitutional. Now I had problems with the law because it had loopholes in it. It will allow the Merrill Lynch executives to keep their bonuses. It allows million-dollar-a-month salaries. And I will introduce tomorrow what I think is a much more comprehensive effort to say that those who work for bailed-out firms shouldn't get more than a half million dollars a year, that whatever they get in excess to that they ought to return to their companies, and I hope we will have some cosponsors for that bill. But it is very plain from Lawrence Tribe's analysis that the approach we took in this House yesterday is fully constitutional and that the flimsy constitutional arguments that are being made against it hold water only because they're repeated over and over and over again in somber tones by Wall Street and the establishment.

Let me give you another example. Congress, the Republican Congress in 1996, passed a 200 percent excise tax

which is now law, and that excise tax falls on excess bonuses and excess salaries to executives, and it was retroactive, 6 months retroactive from when it was passed and it took effect 6 months earlier. Why does nobody know about this code section with a 200 percent tax on excess compensation? Because it didn't affect Wall Street, so it was not controversial. It affected those who received excess compensation from charitable organizations.

I look forward to working with my colleagues to pass reasonable limits on executive compensation and to make sure that the taxpayer gets more than half the benefits when we put up 94 percent of the equity.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 58 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LARSEN of Washington) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, contrary lines run parallel; they may never meet. Holding their own, they forever respect equal distance to each other. Contradictory lines are sure to clash because they are determined only by self-direction. A straight line demands everyone to take a side. A curved line, however—however subtle it is—in the end will form a circle and find oneself.

Lord, help us not to be rigid in our own sense of direction or rash in drawing lines for others. Draw us closer to Your presence, Lord, so we may respond to Your influence upon us; and allow us to have Your way with us, both now and forever.

Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. LARSEN of Washington). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Massachusetts (Mr. LYNCH) come forward and lead the House in the Pledge of Allegiance.

Mr. LYNCH led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

LEARNING A LESSON FROM THE AMERICAN PEOPLE

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, according to a recent Rasmussen poll, two-thirds of the American people have more confidence in their own judgment than they do in Congress. I couldn't agree more, which is why I and many of my colleagues in Congress believe we can learn from the American people.

We can tighten our budgets when times are tough; we can cut out the things we don't need; we can make some difficult choices rather than mortgaging the future of the next generation and threatening Social Security. We should respect the fact that Americans know better how to spend their own money.

Congress doesn't need an expert economist to tell us how to be fiscally responsible. We have millions of American families, small businesses, and homebuilders all across this Nation who are fine examples of leadership and resolve. We should be promoting small businesses to create jobs, not tax their success.

In conclusion, God bless our troops, and we will never forget September the 11th.

BUDGET CALAMITY

(Mr. POE of Texas asked and was given permission to address the House for 1 minute.)

Mr. POE of Texas. Mr. Speaker, the proposed budget is going to double the national debt. What that means to Joe Sixpack is every American will be responsible for \$70,000 apiece to pay off this massive debt incurred by money-grabbing government. Does anyone know there's a recession going on?

Government cannot spend America into prosperity with somebody else's money. We shouldn't even be borrowing more money during these hard times. The Treasury Secretary says part of the reason government got into this economic mess was government borrowing. Also, government has plans to raise taxes on working citizens to pay for all these fancy projects in the budget.

Americans already pay too much in taxes during this recession. Americans don't want more taxes. Americans don't want to incur more debt. Americans don't want government to spend money it does not have.

Government is taking America's money to reward failure, and sending money to special interest groups.